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U.S. PATENT & TRADEMARK OFFICE

REPORT ON THE
FILING OR DETERMINATION OF AN
ACTION REGARDING A PATENT OR
TRADEMARK

In Compliance with 35 U.S.C. § 290 and/or 15 U.S.C. § 1116 you are hereby advised that a court action has been
 filed in the U.S. District Court Eastern District Arkansas on the following ☒ Patents or ☐ Trademarks:

DOCKET NO. 4:06cv1462 JLH	DATE FILED 10/10/06	U.S. DISTRICT COURT Eastern District Arkansas
PLAINTIFF Universal Merchandisers Inc		DEFENDANT Naschem Company Ltd
PATENT OR TRADEMARK NO.	DATE OF PATENT OR TRADEMARK	HOLDER OF PATENT OR TRADEMARK
1 Complaint attached		
2 7,118,241		
3 D507,065		
4		
5		

In the above—entitled case, the following patent(s)/ trademark(s) have been included:

DATE INCLUDED	INCLUDED BY	<input type="checkbox"/> Amendment <input type="checkbox"/> Answer <input type="checkbox"/> Cross Bill <input type="checkbox"/> Other Pleading
PATENT OR TRADEMARK NO.	DATE OF PATENT OR TRADEMARK	HOLDER OF PATENT OR TRADEMARK
1		
2		
3		
4		
5		

In the above—entitled case, the following decision has been rendered or judgement issued:

DECISION/JUDGEMENT

CLERK <i>James M. McCormack</i>	(BY) DEPUTY CLERK <i>T Williams</i>	DATE 8-7-07
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Copy 1—Upon initiation of action, mail this copy to Director Copy 3—Upon termination of action, mail this copy to Director
 Copy 2—Upon filing document adding patent(s), mail this copy to Director Copy 4—Case file copy

23. There is an actual and justiciable controversy between Plaintiff Universal Merchandisers and Defendant NASCHEM as to whether Universal Merchandisers is presently accumulating damages under 35 U.S.C. § 154(d) and/or 35 U.S.C. § 271 for selling a cap light that allegedly constitutes the invention claimed in United States utility patent application 10/758,107 ('241 Patent).

24. The cap light being sold by Universal Merchandisers does not constitute any invention validly claimed in U.S. patent application 10/758,107 ('241 Patent), because, *inter alia*, Universal Merchandisers' cap light does not include every element of any valid claim therein.

25. NASCHEM's allegations that its U.S. patent application 10/758,107 ('241 Patent) is infringed by Universal Merchandisers' cap light has caused, and will continue to cause, damage to Universal Merchandisers.

26. On information and belief, NASCHEM will continue its allegations that Universal Merchandisers is accumulating damages under 35 U.S.C. § 154(d) and/or 35 U.S.C. § 271 unless enjoined by this Court.

27. Universal Merchandisers is entitled to a declaratory judgment that it is not accumulating damages under 35 U.S.C. § 154(d) or 35 U.S.C. § 271, because Universal Merchandisers' cap light does not infringe any valid claim in U.S. patent application 10/758,107 ('241 Patent).

PRAYER FOR RELIEF

WHEREFORE, Plaintiff Universal Merchandisers prays this Court to:

A. Enter judgment declaring that Plaintiff is not infringing United States Patent No. D507,065.

- B. Enter judgment declaring that Plaintiff is not accumulating damages under 35 U.S.C. § 154(d) or 35 U.S.C. § 271, in view of U.S. patent application 10/758,107 ('241 Patent), because Plaintiff's cap light does not infringe any valid claim of U.S. patent application 10/758,107 ('241 Patent).
- C. Enter judgment declaring that Plaintiff has caused Defendant no recoverable damages.
- D. Order Defendant to pay Plaintiff's attorney fees and reasonable costs associated with this matter; and
- E. Provide such other such relief as this Court deems just.

Respectfully submitted,



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ATTORNEYS FOR PLAINTIFF

CLOSED, JTR, JURY

**U.S. District Court
Eastern District of Arkansas (Little Rock)
CIVIL DOCKET FOR CASE #: 4:06-cv-01462-JLH
Internal Use Only**

Universal Merchandisers Inc v. Naschem Company, Ltd
Assigned to: Chief Judge J. Leon Holmes
Cause: 35:271 Patent Infringement

Date Filed: 10/10/2006
Date Terminated: 06/21/2007
Jury Demand: Plaintiff
Nature of Suit: 830 Patent
Jurisdiction: Federal Question

Plaintiff

Universal Merchandisers Inc
an Arkansas Corporation

represented by **Jeremy Y. Hutchinson**
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ATTORNEY TO BE NOTICED

V.

Defendant

Naschem Company, Ltd
a South Korean Company

Date Filed	#	Docket Text
10/10/2006	<u>1</u>	COMPLAINT for declaratory judgment with jury demand against Naschem Company, Ltd (Filing fee \$350.00 paid; Receipt No. LIT002883) filed by Universal Merchandisers Inc; summons issued and returned to attorney. (bmt) (Modified entry on 10/16/2006 to add jury demand) (bfw). (Entered: 10/11/2006)
10/10/2006		***Set/Clear Flags (bmt) (Entered: 10/11/2006)
10/16/2006	<u>2</u>	NOTICE OF DOCKET CORRECTION: 1 Complaint - (modified entry to add jury demand) (bfw) (Entered: 10/16/2006)
10/17/2006	<u>2</u>	First MOTION for Leave to Appear Pro Hac Vice <i>John Roberts</i> by Universal Merchandisers Inc. (Patterson, Jack) (Entered: 10/17/2006)
10/17/2006	<u>3</u>	AFFIDAVIT re <u>2</u> First MOTION for Leave to Appear Pro Hac Vice <i>John Roberts John Roberts</i> by Universal Merchandisers Inc. (Patterson, Jack) (Entered: 10/17/2006)
10/17/2006	<u>4</u>	First MOTION for Leave to Appear Pro Hac Vice <i>Stephen C. Beuerle</i> by Universal Merchandisers Inc. (Patterson, Jack) (Entered: 10/17/2006)
10/17/2006	<u>5</u>	AFFIDAVIT <i>Stephen C. Beuerle</i> by Universal Merchandisers Inc. (Patterson, Jack) (Entered: 10/17/2006)
10/18/2006		***Added Attorneys John L. Roberts and Stephen C. Beuerle for Universal Merchandisers Inc. (vjt) (Entered: 10/18/2006)
10/18/2006	<u>6</u>	ORDER granting motion 2 for John L. Roberts to appear pro hac vice for pltf. Signed by Judge J. Leon Holmes on 10/18/06. (vjt) (Entered: 10/18/2006)
10/18/2006	<u>7</u>	ORDER granting motion 4 for Stephen C. Beuerle to appear pro hac vice for pltf. Signed by Judge J. Leon Holmes on 10/18/06. (vjt) (Entered: 10/18/2006)
10/18/2006	<u>8</u>	CERTIFICATE OF MAILING by the Clerk re <u>7</u> Order on Motion for Leave to Appear,

		6 Order on Motion for Leave to Appear (vjt) (Entered: 10/18/2006)
10/18/2006		***Attorney John L. Roberts for Universal Merchandisers Inc added. (bkj,) (Entered: 10/19/2006)
11/02/2006	9	NOTICE of Appearance by Jack Thomas Patterson, II on behalf of Universal Merchandisers Inc (Patterson, Jack) (Entered: 11/02/2006)
02/07/2007	10	First MOTION to Extend Time to Serve Defendant and Memorandum in Support Thereof by Universal Merchandisers Inc. (Patterson, Jack) (Entered: 02/07/2007)
02/08/2007	11	ORDER granting pltf's motion 10 for extension of time until 4/9/07 to serve deft. Signed by Judge J. Leon Holmes on 2/8/07. (vjt) (Entered: 02/08/2007)
02/08/2007	12	(Court only) CERTIFICATE OF MAILING by the Clerk re 11 Order on Motion to Extend Time (vjt) (Entered: 02/08/2007)
06/13/2007	13	ORDER notifying pltf that this action may be dismissed w/o prej purs to Rule 4(m), if proof of service is not filed by 6/27/07. Signed by Judge J. Leon Holmes on 6/13/07. (vjt) (Entered: 06/13/2007)
06/13/2007	14	(Court only) CERTIFICATE OF MAILING by the Clerk re 13 Order (vjt) (Entered: 06/13/2007)
06/20/2007	15	MOTION to Dismiss (<i>Motion to Nonsuit</i>) by Universal Merchandisers Inc (Hutchinson, Jeremy) (Entered: 06/20/2007)
06/21/2007	16	ORDER granting pltf's motion 15 for nonsuit; this action is hereby dismissed w/o prej; terminating case. Signed by Judge J. Leon Holmes on 6/21/07. (vjt) (Entered: 06/21/2007)
06/21/2007	17	(Court only) CERTIFICATE OF MAILING by the Clerk re 16 Order on Motion to Dismiss (vjt) (Entered: 06/21/2007)

UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF ARKANSAS
WESTERN DIVISION

FILED
U.S. DISTRICT COURT
EASTERN DISTRICT OF ARKANSAS

OCT 10 2006

JAMES W. MCCORMACK, CLERK
By: *[Signature]*
DEP. CLERK

UNIVERSAL MERCHANDISERS, INC.,)
an Arkansas Corporation,)

Civil Action No.

4-06 CV00001462 JLH

Plaintiff,)

v.)

NASCHEM CO., LTD,
a South Korean Company,)

Defendant.)

This case assigned to District Judge *[Signature]*
and to Magistrate Judge *[Signature]*

COMPLAINT FOR DECLARATORY JUDGMENT

Plaintiff, Universal Merchandisers, Inc. ("Universal Merchandisers"), requests a jury trial and alleges:

PARTIES

1. Universal Merchandisers is a corporation duly organized and existing under the laws of the State of Arkansas, with a principal place of business located at 117 Carnahan Drive, Maumelle, Arkansas 72113-6727.

2. Universal Merchandisers is informed and believes and thereon alleges that defendant, NASCHEM CO., LTD ("NASCHEM"), is a company organized and existing under the laws of South Korea, having a principal place of business at 223-427 Seoknam-2dong Seo-ku Incheon, South Korea, and has a website located on the World Wide Web at: http://www.naschem.co.kr/english/plus_b/index.php3.

JURISDICTION AND VENUE

3. There is a justiciable controversy between Universal Merchandisers and NASCHEM because NASCHEM has threatened Universal Merchandisers *and its customer(s)* with imminent legal action seeking damages and injunctions under 35 U.S.C. § 271 for allegedly infringing United States Patent No. D507,065 ("the '065 Patent"). These allegations and threats are causing damage to Universal Merchandisers in Arkansas.

4. There is also a justiciable controversy between Universal Merchandisers and NASCHEM because NASCHEM has threatened Universal Merchandisers *and its customer(s)* with imminent legal action seeking damages and injunctions for allegedly infringing the claims of published United States Patent Application No. 10/758,107 ("the '107 Application"), which, according to the online records of the United States Patent and Trademark Office, has been issued as U.S. Patent 7,118,241 ('241 Patent). If NASCHEM's allegations regarding the '107 Application ('241 Patent) are correct, then Universal Merchandisers could be liable for damages not only for post-issuance alleged infringement under 35 U.S.C. § 271, but also for damages that accumulated under 35 U.S.C. § 154(d), since the '107 Application ('241) was previously published under 35 U.S.C. § 122(b). Accordingly, these allegations and threats are damaging Universal Merchandisers in Arkansas now, and can be resolved now.

5. Subject matter jurisdiction arises under the Federal Declaratory Judgment Act, 28 U.S.C. §§ 2201-2202, and the laws of the United States concerning patents (35 U.S.C. § 101 et seq.).

6. Defendant NASCHEM is subject to personal jurisdiction in this judicial district as it has knowingly and purposefully engaged in substantial, systematic business in this judicial district, including with Universal Merchandisers, which business related to the very products at issue here, where NASCHEM, communicating directly with Universal Merchandisers, systematically directed substantial quantities of the products at issue into Arkansas, both directly and through NASCHEM's exclusive United States distributor. NASCHEM also sent its cease and desist correspondence directly to Universal Merchandisers in Arkansas, as well as to at least one of Universal Merchandisers' major customers, all of which was intended to and did cause damage to Universal Merchandisers in Arkansas, which further subjects NASCHEM to personal jurisdiction in this judicial district.

7. Venue is proper under 28 U.S.C. § 1391(d).

STATEMENT OF FACTS

8. NASCHEM, by its counsel, sent a cease and desist letter dated June 13, 2006 to Universal Merchandisers ("NASCHEM's cease and desist letter").

9. NASCHEM's cease and desist letter stated in part:

My firm represents Naschem Co., Ltd. of Incheon, South Korea in its intellectual property matters. Naschem is the owner of certain United States patents and patent applications related to a clip-on "cap light," for example, United States Design Patent D507,065 (copy enclosed), and United States utility patent application 10/758,107, which is soon to issue as a patent (with a copy of this application's Notice of Allowance and allowed claims also being enclosed). As you may be aware, Import Merchandisers of Elcho, Wisconsin is the exclusive United States distributor and licensee of Naschem's cap light and related intellectual property. I understand that you have, while doing business under the name Universal Merchandisers, Southland Metals, or other names,

imported, manufactured, or marketed cap lights which are not sourced from or authorized by Naschem or Import Merchandisers. These cap lights infringe Naschem's design patent, and will infringe Naschem's utility patent when it soon issues. (emphasis added).

10. NASCHEM's cease and desist letter then proceeded to threaten Universal Merchandisers with treble damages, injunctions, and attorneys' fees, and demanded that Universal Merchandisers provide NASCHEM with product samples and confidential information "to determine the extent of damages suffered by Naschem."

11. NASCHEM, by its counsel, sent a similar cease and desist letter, also dated June 13, 2006, to one of Universal Merchandisers' major customers, threatening it with treble damages, injunctions, and attorneys' fees if it were to buy any cap lights other than NASCHEM cap lights.

12. Neither Universal Merchandisers, nor its predecessors, nor any person or entity within its control has ever, without authority, made, used, offered to sell, sold or imported a cap light or any other product that infringed, pursuant to 35 U.S.C. § 271, any valid claim of United States Design Patent D507,065.

13. Neither Universal Merchandisers, nor its predecessors, nor any person or entity within its control has ever, without authority, made, used, offered to sell, sold or imported a cap light or any other product that constitutes a validly claimed invention, pursuant to 35 U.S.C. § 154(d) and 35 U.S.C. § 271, in United States utility patent application 10/758,107 ("241 Patent).

**COUNT I—DECLARATORY JUDGMENT OF NO INFRINGEMENT OF
UNITED STATES PATENT NO. D507,065**

14. Each of paragraphs 1-13 is incorporated herein by reference.

15. Patent infringement is governed by Section 271 of the Patent laws of the United States, 35 U.S.C. § 271.

16. There is an actual and justiciable controversy between Plaintiff Universal Merchandisers and Defendant NASCHEM as to whether the cap light being sold by Universal Merchandisers infringes United States Patent No. D507,065.

17. Universal Merchandisers has not infringed any valid claim of United States Patent No. D507,065, because, *inter alia*, the non-functional ornamental features of the cap light sold by Universal Merchandisers are sufficiently different from the non-functional ornamental features, if any, validly claimed in United States Patent No. D507,065 to avoid infringement.

18. NASCHEM's allegations of infringement of United States Patent No. D507,065 have caused, and will continue to cause, damage to Universal Merchandisers.

19. On information and belief, NASCHEM will continue its allegations of infringement of United States Patent No. D507,065 unless enjoined by this Court.

20. Universal Merchandisers is entitled to a declaratory judgment that it has not infringed United States Patent No. D507,065.

**COUNT II—DECLARATORY JUDGMENT OF NO LIABILITY UNDER
35 U.S.C. § 154(d) and 35 U.S.C. § 271 IN VIEW OF U.S. PATENT APPLICATION
10/758,107 ('241 PATENT)**

21. Each of paragraphs 1-20 is incorporated herein by reference.

22. Liability for making, using, offering for sale, selling or importing a product covered by a pending claim in a published U.S. patent application is governed by Section 154(d) of the Patent laws of the United States, 35 U.S.C. § 154(d), and after issuance by 35 U.S.C. § 271.